

|   | Type | Hits | Search Text   | DBs             | Time Stamp          |
|---|------|------|---|-----------------|---------------------|
| 1 | BRS  | 429  | (virtual or simulated or simulation or simulate) near4 (trade or trading) | USPAT; US-PGPUB | 2004/10/18<br>10:50 |
| 2 | BRS  | 265  | 1 and real  | USPAT; US-PGPUB | 2004/10/18<br>10:51 |
| 3 | BRS  | 352  | 1 and (real or actual)  | USPAT; US-PGPUB | 2004/10/18<br>10:51 |
| 4 | BRS  | 137  | 3 and (@ad<19991026 or @pd<19991026 or @rlad<19991026 or @prad<19991026)  | USPAT; US-PGPUB | 2004/10/18<br>10:51 |
| 5 | BRS  | 23   | 4 and ((trade or trading) near3 (game))                                   | USPAT; US-PGPUB | 2004/10/18<br>10:52 |

DOCUMENT-IDENTIFIER: US 20040049447 A1

TITLE: Computer-implemented securities **trading system with a virtual** specialist function

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Title - TTL (1):

Computer-implemented securities **trading system with a virtual** specialist function

Continuity Related Application Date - RLFD (4):

**19981102**

Continuity Related Application Date - RLFD (5):

**19981102**

Continuity Related Application Date - RLFD (6):

**19960325**

Summary of Invention Paragraph - BSTX (8):

[0007] A feature of the present invention is a **virtual specialist program that engages in trading** in the market to offset the price volatility and to provide liquidity to the market.

Detail Description Paragraph - DETX (2):

[0015] According to the present invention, a computer-implemented trading system is provided for derivative financial instruments. The computer-implemented trading system accepts buy and sell orders from traders for the derivative financial instruments, sets a market price based on the supply and demand, and participates in the market as a trader in order to minimize price volatility. One embodiment of the present invention is a computer-implemented Hollywood Stock Exchange (HSX), which may be implemented as a **simulation (i.e., game) or as an actual trading** system for derivative

financial instruments representing movies, talent, CDs, and television programs. These derivatives could be purchased with virtual currency known as Hollywood dollars (H\$) which are controlled by a virtual reserve bank program.

Detail Description Paragraph - DETX (81):

[0094] In order to encourage growth and stability in the capital market regulated by the **trading system of the present invention, a virtual** specialist program is executed by the server computer, as represented by block 404 in FIG. 4. In executing the virtual specialist program, the server computer 14 regulates the trading by actively **trading in the market out of a virtual** specialist portfolio (VSP). In one embodiment of the present invention, the virtual specialist program portfolio initially contains half of all the issued shares of each derivative financial instrument.

Detail Description Paragraph - DETX (82):

[0095] With reference to FIG. 5, a flow diagram illustrating the logic of the virtual specialist program of the present invention is shown. Block 500 is a decision block that represents the server computer 14 determining whether the price movement during the sweep pricing cycle is greater or equal to an adjusted price movement threshold (APT). The APT is a constant in the memory of the server computer 14. If the APT is greater than the price movement, then the server computer 14 does not trade in the market. If the price movement is greater than or equal to the APT, then the server computer 14 **trades out of a virtual** specialist program portfolio. The level of trading by the server computer 14 is determined by the amount that the price movement exceeded the APT. The greater the price movement, the more shares the server computer 14 trades to offset the price movement.